

file the cases involving a sum of Rs. 10 lacs and above where they find that all means of recovering the advances have failed. No targets for individual banks have been fixed.

(d) Eight more Debt Recovery Tribunals and one Debt Recovery Appellate Tribunal are in the process of being set up.

Default on payment of maturity of debenture

254. SHRI VIJAY J. DARDA: Will the Minister of FINANCE be pleased to state:

whether SEBI has tightened the guidelines for debenture faults;

if so, the details thereof;

the names of the companies in steel and pharma sector who have defaulted on payment of interest and principal to investor on maturity of debenture and action taken against the defaulting companies; and

the details of action taken/proposed to be taken against LLOYDS financial services and Paam Pharma companies?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAY KUMAR): (a) and (b) In order to enhance the protection to investors, the Securities and Exchange Board of India (SEBI) is in the process of amending the SEBI (Debenture Trustees). Regulations to provide for *inter alia*, an arms length relationship between the issuer and the trustee; disclosure of additional details in the offer document such as statement of the assets on which charge is to be created and the ranking of charge, security cover and the basis of its computation, valuation methods and periodicity etc.

(c) The names of the companies in the pharma and steel sector which have defaulted in the payment of interest and principal are provided in the Statement (*See below.*)

(d) SEBI has been informed by the trustees for Lloyds Finance Ltd. that a suit has been filed for recovery of dues amounting to about Rs. 2668 lakhs, appointment of receiver and injunction. The trustees of Paam Pharma Pharmaceuticals (Delhi) Ltd. have informed SEBI that the debenture liability amounts to about Rs. 1590 lakhs. The company has been referred to BIFR and therefore the trustees have not been able to take action. However, the trustees have reported that security has been created for the debentures.

[25th July, 2000]

RAJYA SABHA

Statement

Default t>n payment of maturity of debenture

Pharma	Amount of default	Action as reported by Trustees
<#s. In lacs)		
If ij) coma Pharmaceutical Ltd.	Interest due: 26	Official liquidator has fixed for inspection of assets and <i>once</i> inspection is over steps will be taken to dispose of the assets.
Paam Pharmaceuticals (Delhi) Ltd	Interest due: 1590.6	Reference been made to BIFR
Tofrent Gujarat BioTech. Ltd.	Interest due; 1294 Amount not redeemed'. 269S	Constant follow up
J.F. Laboratories Ud.	Interest due: 262 Amount not redeemed: 1275	Recall <i>notice has</i> been issued and suit for recovery has been filed urBombay High Court on 29.22000.
STEEL		
J.K. Udaipur Udyog Ltd.	Interest due: 3325.82	Individuals are paid off. As regards institutional debenture holders, the company has approached for deferment. Institutions are considering restructuring proposal.
Lloyds Steel Industries- Ltd.	Amount not redeemed: 414	Company has assured that the dues to individual debenture holders will be clearer by August 2000.
Pennar Profiles Ltd.	Interest due: 157.41 Amount not redeemed: 407	Case is under BIFR. However company has paid <i>the due to all debenture holders</i> (eacepi to IDBI, due to insufficient funds).
Indian Seamless Steels & Alloys Ltd.	Interest due: 167.95	Company is paying interest arrears in a phased m a n n e r -
Shri Ishar AUoy Steels Ltd.	Interest due: 507	Company registered with BIFR.
Jindal Iron & Sled Company Ud.	Interest due: 2217.95	Individuals have been paid off. The company has approached institutional debenture holders for deferment.
Jindal Vijayanagar Steel Limited.	Interest due-. 6167	Institutions have rescheduled their dues & are to fresh equity <i>aggregating to Rs. 542 crores</i> with redemption to commence from December 2003. Individuals <i>to be redeemed</i> as per original schedule by company. Company <i>has</i> assured thai overdue <i>interest</i> to individual debenture holders would be cleared by August 2000. Redemption <i>has not yet</i> started.